

Congress of the United States
Washington, DC 20515

June 21, 2006

The Honorable Christopher Cox
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

The Honorable William Gradison
Acting Chairman
Public Company Accounting Oversight Board
1666 K Street, NW, Suite 800
Washington, DC 20006

Dear Chairmen Cox and Gradison:

We wish to express our support for the steps announced on May 17th by the Commission and the Public Company Accounting Board (PCAOB) to improve the implementation of the internal control provisions of section 404 of the Sarbanes-Oxley Act of 2002, particularly for the smaller public companies that are so important to our economy. We are encouraged that the steps announced by the Commission and the PCAOB establish a “roadmap” to providing smaller public companies and their auditors the tools they will need to achieve the investor benefits of strong internal control without unnecessary costs.

While the new guidance on internal controls that the Commission has committed to provide should be useful to all public companies, we expect it will be of greatest use to smaller public companies with limited resources. As the Commission moves forward in proposing guidance and reviewing the final control framework for smaller companies adopted by the Committee of Sponsoring Organizations (COSO), we urge the Commission to ensure that the standards and guidance provided is sufficiently “user friendly” that the smallest of public companies will be able to develop appropriate internal controls to protect investors without significant and undue burden.

We support the Commission’s announced intention to provide additional time for the smallest companies and their auditors to review and implement the new guidance prior to the effective date for compliance by those companies with section 404. The combination of streamlined, user-friendly guidance and adequate time for an orderly implementation will help to address many of the concerns expressed about application of section 404 to smaller companies and should go far to making this a more useful and cost-effective process. We also applaud the steps announced by the Commission and the PCAOB to ensure that the inspection process for public company auditors reinforces the measures already taken by both of your organizations to ensure that audits of internal control assessments are efficient and cost-effective.

We thank you for your efforts to reduce the regulatory burden on the small companies and preserve the benefits of the Sarbanes-Oxley Act for investors. We look forward to seeing the results of this process.

Sincerely,


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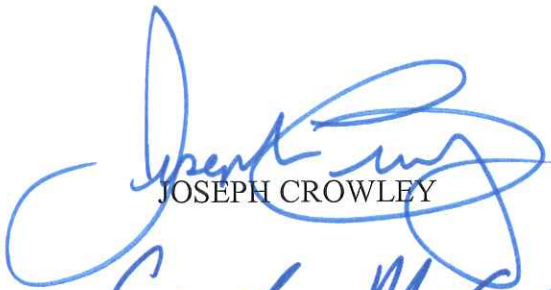

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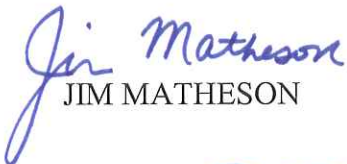
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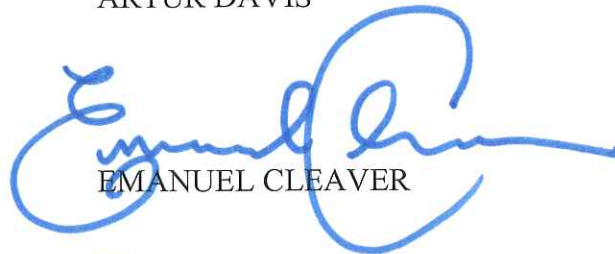
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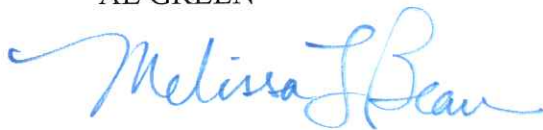
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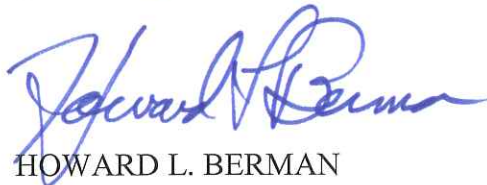
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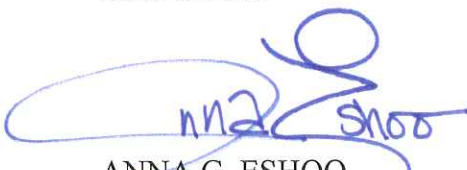

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